

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 644 – HB 1715

April 28, 2009

SUMMARY OF AMENDMENT (007397): Grants the TennCare Pharmacy Advisory Committee review authority over any proposed changes to the program's auto-exemption list prior to implementation on those changes. States the legislative intent for the Bureau of TennCare to have the benefit of the Committee's recommendations prior to deleting or adding a drug from the auto-exemption list. Requires the Committee to establish a special review subcommittee to provide expert advice on whether changes are appropriate. All meetings of the subcommittee shall meet the requirements of the open meetings law and documents relating to a decision taken by the subcommittee to limit access to a medication under review shall be available under the open records law.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$2,519,400

Increase Federal Expenditures - \$7,222,400

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – If a subcommittee within the Pharmacy Advisory Committee recommends actions which restrict TennCare's pharmacy controls, the program could incur a significant increase in expenditures. It is not possible to determine what the future actions of a subcommittee would be regarding the review of proposed changes by the Bureau to the auto-exemption list and therefore the fiscal impact of this bill as amended cannot be quantified.

Assumptions applied to amendment:

- The bill as amended would establish a review process prior to the Bureau of TennCare implementing any proposed changes to the

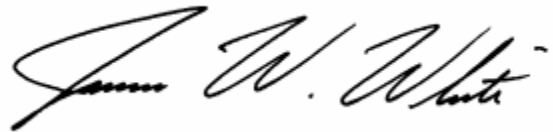
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accessibility of the drug classes currently on the program's auto-exemption list.

- In the event that changes to the auto-exemption list are proposed by TennCare that the subcommittee appointed to review the changes does not find appropriate, there could be a delay in TennCare implementing the changes.
- The actions that the subcommittee would take on future changes cannot be determined. The fiscal impact of the bill as amended cannot be quantified.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml